

CHALLENGES OF SELF HELP GROUP MEMBERS TOWARDS INCOME GENERATION ACTIVITY

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ABSTRACT

Micro finance through Self help group is being promoted as an important strategy for simultaneously tackling both poverty alleviation and women's empowerment. Self help group is a small voluntary association of 10-20 poor people for the purpose of doing some income generation activity through their group savings and loan from bank. It inculcates the habit of compulsory savings amongst its members. The self help group members undergo capacity building training to improve their confidence level, managerial efficiency and entrepreneurial skills to engage themselves in some income generation activities such as mushroom cultivation, tailoring, pickle making and showpieces. This paper focuses on analyzing how self help groups act as an instrument to enhance the livelihood of marginalized sections of women and various challenges of SHG to engage in income generation activities. The research is conducted in the rural areas of Tuticorin district of Tamil Nadu. The data is collected from 300 self help group members through questionnaire survey. The study also analyzes the impact of training on income generation activities of the Self help group members.

KEYWORDS: Capacity Building Training, Challenges, Income Generation Activity, Micro Finance, Self Help Group

INTRODUCTION

Microfinance is one of the powerful vehicles for the empowerment of poor and fight against poverty. Microfinance service industry is growing over the past three decades of time in the financial market. Micro finance through Self Help Groups has acted as catalyst for changing the lives of vulnerable sections of women and considerably reducing their dependence on men. Self help group is an informal association of 10 to 20 economically poor women who obtain loans from bank and subsequently lend the money to its members, helping them to invest it in some income-generation activities. Entrepreneurship development and income generating activities are a feasible solution for empowering women. Provision of Micro finance to SHG provides an opportunity to invest in some income generation activities or self employment, which helps to transfer the real economic power in the hands of women and has considerably, reduced their dependence on men. SHG provides the poor women a space to empower socially and economically. Various financial intermediaries, NGOs, governmental policies and developmental programmes also encourage the organizing of women Self Help Groups which place a record for the beginning of a major process of empowering women. But it is an important challenge to equip the poor women with essential skills to undertake profitable business, which could make them economically and socially independent women. The Self Help Groups are crucial organizations for the process of economic empowerment women receives strength from its group members (Manimekalai, 2004) Training helps the SHG members to work in a more systematic way and to give maximum output. The training is an important tool for economic viability of SHGS income generating activities (NABARD 2004). The SHGS who received formal skilled training are capable of demanding credits to start various income generating activities such as collection, processing and marketing of

forest products, individual business of dairy, poultry, fishery and non-farm activities (Ramalakshmi, 2003). Generally SHG produce items which have limited life and marketability is poor. SHG should develop creative ideas in bringing out new varieties of products. The Self help group should concentrate more on the quality of products to ensure marketability. Many studies prove that SHG members have strong entrepreneurial desire but they lack the production of new and innovative products that are attractive to consumers and command a good price in the market.

Self Help Group

During 1992-93, just 255 SHGs were linked to banks and just Rs.2.89 million were financed from NABARD, which today has rise to 48,51,356 SHGs with a 14.8 per cent growth rate in the SHGs who have been sanctioned a loan amount of Rs 28038.28 cores with a rise of 23.6 per cent by March 2010. However, the number of women SHGs was 38,97,797 with a growth rate of 77.6 per cent who have been disbursed a loan amount of Rs 23030.36 cores, i.e., a rise of 82.1 percent by March 2010. Today this programme has covered more than 5800 cores poor making it the largest Micro- Finance (MF) programme in the world. Self Help Group (SHG) plays vital role in rural and urban areas by producing and selling variety of products. various products, which are conveniently produced and marketed by SHGs are as follows Fibre based products, like carry bags, hand bags, decoration items etc, Palm leaf products like baskets leaf mats, Coconut shell products, Toys made of paper, fruits, terracotta etc, Sea shell crafts, Cut flower items, and bead ornaments etc.

OBJECTIVES OF THE STUDY

- To discuss the socio-personal characteristic of women Self help groups
- To understand the financial behavior of SHGs
- To examine the challenges of Self help groups towards income generation activities
- To suggest the measures to initiate income generation activities among SHGs

RESEARCH METHODOLOGY

The study was conducted in the Tuticorin district of Tamil Nadu. The research is based on both primary and secondary data. The primary data were collected through structured questionnaire and secondary data was collected from various reports of the government, NGOs, NABARD.

Research Designs

The research design proposed in this study is based on both descriptive research and analytical research. The researcher studied the existing state of affairs prevailing where research aims to elicit information about functioning of SHG, socio economic characteristics of SHG, loan consumption pattern, kind of income generation activity undertaken and various challenges faced by the SHG in undertaking income generation activities.

Research Area: Tuticorin district of Tamil Nadu, India

SAMPLING TECHNIQUE

The sample collected in the study was based on multi stage stratified random sampling technique. In the first stage, Tuticorin district was selected from the state of Tamil Nadu. In the second stage 25 villages were selected from the

Tuticorin district. In the third stage 300 SHG members were selected from the 25 villages on the basis of their income generation activity. The data is collected through structured questionnaire survey.

Sample Size: The research was done based on data collected from 300 self help group members

Data Collection: The study was based on both primary and secondary data. The primary data was collected from the respondents of SHG members who were engaged in some kind of income generation activity

Tools and Techniques: The present study used various statistical tools and techniques to draw relevant conclusions these are as follows. Percentages, Weighted average analysis, chi-square (χ^2) and Factor Analysis

REVIEW OF LITERATURE

In most of the studies and the weightage is given to equip women with all necessary skills and develop entrepreneurship qualities among them for better socio-economic development of the poverty ridden people (Nath, 2008, Harper, 2002)

Verma (2004) also in her article gives importance on the expansion of Indian commercial sector in the rural areas. Since it has been seen that most of the women are particularly engaged in crop husbandry and animal husbandry like poultry, piggery, and sheep rearing etc. therefore, a proper marketing facilities should be provided to rural women with better production management facility.

The process of economic empowerment among women can be institutionalized through self help groups. The role played by self help groups in the field of women empowerment is being recognized these days. The SHGs are characterized by a focused attention on providing employment opportunities by imparting training in order to generate both income as well as employment (Husain and Nair, 2006) Sharma and Varma (2008) described income generating activities as a means for attaining financial sustainability among members of SHGs. The change agents will have to guide the members of SHGs to start some profitable income generating activities and facilitate them in sustaining those activities through technological and market linkages Women empowerment is a global issue which has gained momentum in recent decades. Women have not been treated on par with men in any aspect of life though their role is crucial for the sustenance for family and society as well as for the development of economy as a whole. (Sardagi, 2012).

DATA ANALYSIS AND INTERPRETATION

Table 1: Distribution of Members in the Self Help Group

Members	No. of Respondents	Percentage
10-15	258	86
15-20	42	14
Total	300	100

The above table reveals that nearly 86 percent of the self help groups consist of 10-15 members and 14 percent of SHG consists of 15-20 members.

Table 2: Savings and Investment of SHG Members

Savings(Monthly)	No. of Respondents	Percentage	Amount of Investment(Rupees)	No. of Respondents	Percentage
RS 50 – 100	56	18.7	Less than.5000	78	26
RS 100 – 150	154	51.3	5000 - .10000	56	18.7
RS 150 – 200	22	7.3	10000-.15000	26	15.3
RS 200 – 250	60	20	15,000- 20,000	96	32
Above RS 250	8	2.7	More than 20,000	24	8
Total	300	100	Total	300	100

Source: Primary data

The above table highlights the savings of self help group members. Nearly 19 percent of the respondents save monthly Rs.50-100 and nearly 51 percent of the respondents save between Rs.100 to Rs.150. It is also found that 26 percent of the SHG members invest less than Rs.5000 and 32 percent of the Self Help Group invests between Rs.15000 to Rs.20000 in the business.

Table 3: Loan Consumption Pattern of SHG Members Weighted Average Analysis

Consumption Pattern	Mean Score	Rank
Children's education	4.23	1
Emergency purpose	4.14	2
Personal Consumption	4.07	3
Income generation activity	3.90	4
Repaying past Debts	3.86	5
Marriage and other social occasion	3.61	6

The above table exhibits the weighted average analysis for credit utilization of the respondents. The respondents used loan amount first to meet their children's Education whose mean value is 4.23. Various studies also show that in rural area women are able to meet their children's education expenses through micro credit and micro finance income. Respondents ranked Income generation activity as fourth for consumption of loan. Use of loan for the productive purpose is very important for the success of SHG movement in rural areas. The sustainability of micro finance depends upon the transformation of micro credit in to asset creation and capital formation. It is observed that loans received by individual SHG members are mostly used for unproductive purposes rather than income generation activities, this poses a big problem.

Table 4: Opinion towards Increased Income out of Income Generation Activity

Opinion	No. of. Respondents	Percentage
No	16	5.3
Moderate	142	47.3
Good	142	47.3
Total	300	100

The above table indicates that nearly 47 percent of SHG members believe that income increased was moderate and good

Table 5: Number of SHG Undergone for Capacity Building Training

Training	No. of Respondents	Percentage
Yes	204	68
No	96	32
Total	300	100

From the above table it is clear that 68 percent of the Self help group members undergone for capacity building training programme for production of goods

Table 6: Type of Activity Undertaken

Activity	No. of Respondents	Percentage
Food items	26	8.6
Ready made garment	19	6.3
Handicrafts	57	19
Stitching / Tailoring	43	14.3
Poultry farming	18	6
Dairy farming	23	7.6
Soft Toys Making	29	9.6
Sea shell products	21	7.4
Coir mate	23	7.6
Masala Packing	20	6.6
Fancy shop	21	7
Total	300	100

By SHG Members

The above table shows that nearly 8.6 percent of the self help group members do the business of food items, nearly 14 percent of them stitching and tailoring and 10 percent of them soft toy making

Table 7: Chi Square Analysis

Null Hypothesis	Chi-Square Value	Df	P-Value	Significance
capacity building training programme has no impact on income generation activities of SHG members	26.555	4	0	Ho rejected
The savings of the SHG members has no impact on the income generation activity	49.986	8	0	Ho rejected

Table 8: Challenges of SHG Members towards Income Generation Activity Factor Analysis

Factor	Barriers	Factor Score
1. Skill	Lack of technical skill	.492
	Lack of Marketing skill	.437
	Lack of skill on production	.479
	Lack of managerial Skill	.478
2. Finance	Inadequacy of capital	.534
	Expensive materials	.741
3 Group	Lack of group initiative	.539
	Lack of group cooperation	.539
	Poor group strength	.684
	Difference of opinion	.461
4. Entrepreneurial Capacity	Less risk taking	.663
	Lack of self confidence	.596
	Not able to select proper business	.652
5. Personal Barrier	Less Experience	.543
	Less education	.426
	Lack of awareness	.716
	Lack of exposure	.386
	Fear	.597
	Poor support from family	.504

From the table it is inferred that factor 1 is named as Skill. The following statements of questionnaire are loaded in Factor 1 Lack of technical skill, Lack of Marketing skill, Lack of skill on production, Lack of managerial Skill. Factor 2 is named as finance the following statements of questionnaire are loaded in Factor 2 Inadequacy of capital and Expensive materials. Factor 3 is named as Group. The following statements of questionnaire are loaded in Factor 3 Lack of group initiative, Lack of group cooperation, Poor group strength and Difference of opinion. Factor 4 is named as entrepreneurial capacity. The following statements of questionnaire are loaded in Factor 4 less risk taking, lack of self confidence and not able to select proper business. Factor 5 is named as Personal Barrier. The following statements of questionnaire are loaded in Factor 5 Less Experience, Less education, Lack of awareness, Lack of exposure, Fear and Poor support from family.

FINDINGS

The various challenges faced by the SHG members for carrying out the income generation activity are lack of support from group members, inadequacy of finance, lack of skill, poor entrepreneurial support and some personal barriers. The chi-square analysis shows that capacity building training programme has impact on income generation activities of SHG members. The research shows that majority of respondents' opinion that income generation activity helps SHG to increase their income. The study also reveals that 68 percent of the people have undergone training to enhance their income generation activities.

SUGGESTIONS

SHG members should try to carry out group income generating activities so that the risk, responsibility and profit will be shared equally among all members. Training centers should be established at every district and block level for imparting skill training for income generating activities. More training should be organized related to entrepreneurial skills with special emphasis on raw material management and pricing of finished product. In the rural areas SHG members are lack of awareness about the proper maintenance of books of accounts, so proper Training programmes such as maintaining accounts, book-keeping must be provided to the SHG members to run their businesses smoothly

CONCLUSIONS

The research concludes that Capacity building training is an important to improve the capacity, capability, professional and entrepreneurial skill of self help group members, which helps them to engage in income generation activity successfully. The trained members have a confidence, entrepreneurial skill, knowledge, and more positive attitude towards dealing various problems. The sustainability of Self help group depends on the growth of income generation activity and entrepreneurship among women self help group members.

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